

SENATE AMENDMENTS

2nd Printing

By: King of Uvalde

H.B. No. 3842

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the requirement that a motor vehicle dealer obtain a
3 general distinguishing number for a consignment location.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 503.027(a), Transportation Code, is
6 amended to read as follows:

7 (a) A [~~If a dealer consigns for sale more than five vehicles~~
8 ~~in a calendar year from a location other than the location for which~~
9 ~~the dealer holds a general distinguishing number, the~~] dealer must
10 [~~also~~] hold a general distinguishing number for a [~~the~~] consignment
11 location unless the consignment location is a wholesale motor
12 vehicle auction.

13 SECTION 2. This Act takes effect September 1, 2019.

ADOPTED

MAY 22 2019

FLOOR AMENDMENT NO. 1

Secretary of the Senate BY: Peter P. Flores

1 Amend H.B. No. 3842 (senate committee printing) by adding the
2 following appropriately numbered SECTIONS to the bill and
3 renumbering subsequent SECTIONS of the bill accordingly:

4 SECTION ____ . Subchapter B, Chapter 501, Transportation Code,
5 is amended by adding Section 501.0236 to read as follows:

6 Sec. 501.0236. ISSUANCE OF TITLE AND PERMITS WHEN DEALER
7 GOES OUT OF BUSINESS. (a) This section applies only to a person
8 who is the purchaser of a motor vehicle for which the dealer:

9 (1) is required to apply for a title for the vehicle
10 under Section 501.0234; and

11 (2) does not apply for the title because the dealer has
12 gone out of business.

13 (b) A purchaser to whom this section applies may apply for:

14 (1) a title in the manner prescribed by the department
15 by rule; and

16 (2) on expiration of the buyer's tag issued to the
17 purchaser under Section 503.063, a 30-day permit under Section
18 502.095.

19 (c) An application for a title under this section must
20 include a release of any recorded lien on the motor vehicle unless
21 the only recorded lienholder is a dealer described by Subsection
22 (a).

23 (d) The department shall waive the payment of fees for:

24 (1) a title issued to a purchaser described by this
25 section, if the purchaser can show that fees for a title were paid
26 to the dealer; and

27 (2) one 30-day permit issued to a purchaser described
28 by this section.

29 (e) Notwithstanding Section 503.033(e), the department may

1 recover against the surety bond executed by the dealer under
2 Section 503.033 the amount of any fee waived for a title or permit
3 issued under this section.

4 (f) The department shall adopt the rules necessary to
5 implement this section.

6 SECTION ____ . The heading to Section 503.033, Transportation
7 Code, is amended to read as follows:

8 Sec. 503.033. SURETY BOND REQUIRED; LIABILITY OF SURETY
9 [~~SECURITY REQUIREMENT~~].

10 SECTION ____ . Sections 503.033(a) and (d), Transportation
11 Code, are amended to read as follows:

12 (a) The department may not issue or renew a motor vehicle
13 dealer general distinguishing number or a wholesale motor vehicle
14 auction general distinguishing number unless the applicant
15 provides to the department[+

16 [~~+~~] satisfactory proof that the applicant has
17 purchased a properly executed surety bond in the amount of \$50,000
18 [~~\$25,000~~] with a good and sufficient surety approved by the
19 department [~~+~~ or

20 [~~+~~ ~~(2) other security under Subsection (e)~~].

21 (d) A person may recover against a surety bond [~~or other~~
22 ~~security~~] if the person obtains against a person issued a motor
23 vehicle dealer general distinguishing number or a wholesale motor
24 vehicle auction general distinguishing number a judgment assessing
25 damages and reasonable attorney's fees based on an act or omission
26 on which the bond is conditioned that occurred during the term for
27 which the general distinguishing number was valid.

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 23, 2019

TO: Honorable Dennis Bonnen, Speaker of the House, House of Representatives

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB3842 by King, Tracy O. (Relating to the requirement that a motor vehicle dealer obtain a general distinguishing number for a consignment location.), **As Passed 2nd House**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend Chapter 501 of the Transportation Code to establish provisions for the issuance of a vehicle title and a 30-day permit to the purchaser of a vehicle for which the dealer is required to apply for a title for the vehicle but does not apply for the title because the dealer has gone out of business. The bill would authorize the Department of Motor Vehicles (DMV) to waive the fee for the title if the purchaser can show that fees for a title were paid to the dealer and waive the fee for one 30-day permit issued to the purchaser. The bill would authorize DMV to recover against a dealer's security bond the amount of any fee waived for the title or permit under the provisions of the bill. The bill would amend Chapter 503, Transportation Code, to increase the amount of the surety bond that a dealer must hold in order to renew or receive their dealer's general distinguishing number.

DMV anticipates one-time information technology programming costs would be incurred to implement the bill. Based on LBB's analysis of information provided by DMV, it is assumed the provisions of the bill would not result in a significant fiscal impact to the State and any costs associated with implementation would be absorbed within the agency's existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 608 Department of Motor Vehicles

LBB Staff: WP, TG, KK, CLo

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 17, 2019

TO: Honorable Bryan Hughes, Chair, Senate Committee on Administration

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: **HB3842** by King, Tracy O. (Relating to the requirement that a motor vehicle dealer obtain a general distinguishing number for a consignment location.), **As Engrossed**

No fiscal implication to the State is anticipated.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 608 Department of Motor Vehicles

LBB Staff: WP, KK, TG, CLo

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 14, 2019

TO: Honorable Tracy O. King, Chair, House Committee on Licensing & Administrative Procedures

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB3842 by King, Tracy O. (Relating to the requirement that a motor vehicle dealer obtain a general distinguishing number for a consignment location.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 608 Department of Motor Vehicles

LBB Staff: WP, TG, CLo

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 7, 2019

TO: Honorable Tracy O. King, Chair, House Committee on Licensing & Administrative Procedures

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB3842 by King, Tracy O. (Relating to the requirement that a motor vehicle dealer obtain a general distinguishing number for a consignment location.), **As Introduced**

No fiscal implication to the State is anticipated.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 608 Department of Motor Vehicles

LBB Staff: WP, CLo, TG